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Ukraine

TRADE WITH UKRAINE

Ukraine's Natural Wealth, Needs and Commercial Opportunities: The Ukrainian Co-operative Societies and Their Influence

By
EMIL REVYUK

1920
WASHINGTON, D. C.

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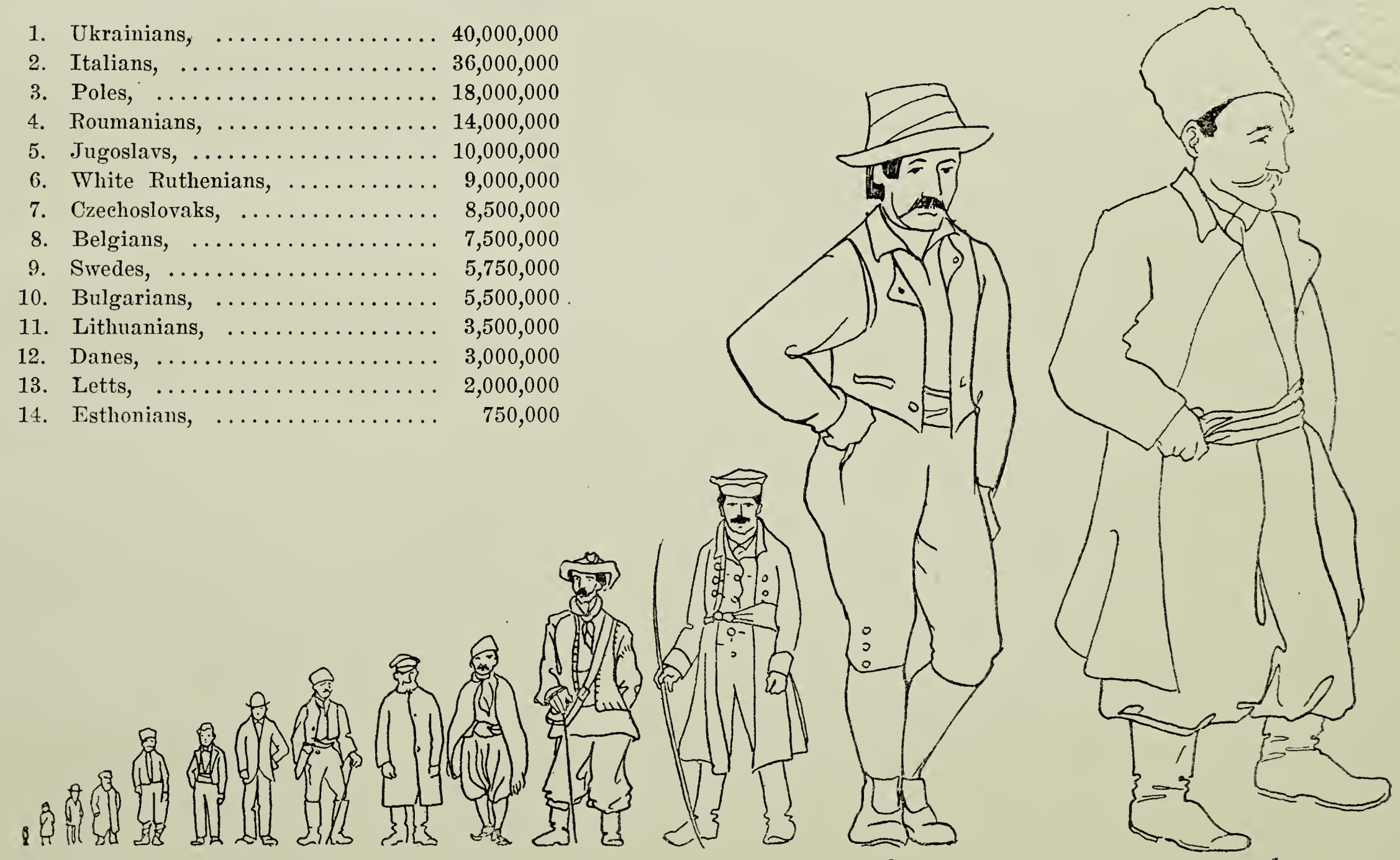
COMPARATIVE POPULATIONS OF SOME OF THE RACES OF EUROPE.

1.	Ukrainians,	40,000,000
2.	Italians,	36,000,000
3.	Poles,	18,000,000
4.	Roumanians,	14,000,000
5.	Jugoslavs,	10,000,000
6.	White Ruthenians,	9,000,000
7.	Czechoslovaks,	8,500,000
8.	Belgians,	7,500,000
9.	Swedes,	5,750,000
10.	Bulgarians,	5,500,000
11.	Lithuanians,	3,500,000
12.	Danes,	3,000,000
13.	Letts,	2,000,000
14.	Esthonians,	750,000



TRADE WITH UKRAINE

What commercial opportunities does Ukraine offer to Americans? That is a question which is occupying the thought of many business men at the present moment.

Ukraine is one of the richest countries of the world. It has coal and iron mines, and millions of acres of deep, black soil, which produce wheat, barley, rye, oats, sugar, fruit and vegetables in abundance. The population numbers 45,000,000, including a minority of foreigners, and inhabits an area equal to that of France and Italy combined. Until the break-up of the old Czarist empire, Ukraine was incorporated with Russia. But a score of influences have contrived to keep her separate in political feeling and trade interests. The Ukrainians, though sometimes called Little Russians, are a distinct race from the Great Russians. They have their own language, literature and art. Economically they form a self-supporting unit. Their physical characteristics are different. They are more high-spirited, more restless and more fond of music and the arts. Their speech is an independent tongue, not merely a dialect of the Great Russian, and has more in common with the Serbian than with any other Slavonic language.

The Ukrainians declared their liberty in 1917, when the Bolsheviki carried out the now famous coup d'etat in Petrograd and Moscow. Previous to that time, Ukraine had been working for political autonomy, but expected to remain within an all-Russian federation. Kerensky's wavering policy and the Bolsheviks' terrorism discouraged the hopes of such a union of states and taught the Ukrainians that they must henceforth make their way alone. Their republic has struggled courageously along ever since, meeting with many reverses, but never losing heart. It has been obliged to fight with the Bolsheviki, resist Polish aggression, and hold off the reactionary armies of Denikin. In spite of these great handicaps, it has made gains. The territory which it controls has swelled in size, and the government set up by Petlura has found the opportunity, in spite of many obstacles to maintain and reorganize its army, preserve a degree of law and order, and advance education.

Because of the Allied Blockade, which affected Ukraine as much as it did the Bolshevik parts of former Russia, the Ukrainians have been cut off from contact with Western Europe and America. The lifting of the Blockade permits a renewal of commerce and, in view of the great natural wealth of Ukraine, we may expect before long to see a brisk trade carried on with other countries.

Ukraine A Land of Great Riches.

The productiveness of a nation is today more than ever the measure of its right to enter into international trade relations. Ukraine possesses this qualification to a remarkable degree. Following the great slump in European money and the chaotic state of foreign exchange, it became clear that the countries of central and eastern Europe would only rise from their commercial depression when they could begin producing and do something to make good the vast economic waste caused by the war. Most of the peoples, especially the newly created governments, are suffering from industrial confusion and scarcity of resources. Ukraine, however, is actually ready, in spite of her unsettled politics and desperate needs, to furnish certain supplies to foreign traders. Mr. Henry G. Alsberg, correspondent of the Nation, who has recently been in Ukraine, reports that the government now has at its disposal 20,000,000 bushels of wheat and 400,000,000 pounds of sugar, to say nothing of hides, spirit, and other materials.

Newspaper items have lately appeared, announcing that, because of the lifting of the Blockade, Russia would have great quantities of cereals and other foodstuffs for exportation. This intelligence has often been followed up with the statement that, in order to get these things, the other powers will have to enter into negotiations with the Soviet government. But it must be remembered that practically none of the produce referred to is within Soviet Russia. It is in Ukraine. Russia proper has flax, furs, etc., but the grain and foods upon which many foreign populations are relying, are on Ukrainian soil and controlled by the Ukrainian government, which is republican and anti-Bolshevik. It is, therefore, a source of wealth to Ukraine and not to Soviet Russia at all, though, to be sure, the Bolsheviki are fighting to extend their sway over the Ukrainians and at present hold a large number of important cities in the central

and eastern districts, as well as some of the principal railway lines.

Ukraine has foodstuffs, minerals and other raw products, and will be able to supply them in increasing quantities. In the years before the war, she used to export about 200,000,000 bushels of wheat annually. Of manufactured goods she has almost none, nor will she be able to produce many on home soil for a good many years to come.

Ukraine Needs Medicines and Clothing.

The things most urgently required by the Ukrainians just now are medicines and clothing, though that is only the beginning of their needs.

A few weeks ago, General Petlura, head of the republican government, wrote a friend in Paris:

> "Three-quarters of our men lack shoes, clothing, everything; but their spirit is not impaired. We have no medicines; typhus decimates our army; many fighters die for lack of medicines and blankets . . . We have had no aid from any one: neither munitions nor technical apparatus, nor sanitary products, nothing . . . It often happens that our soldiers are without cartridges. Then they charge with the bayonet against the Bolsheviks . . . We have had rich harvests and will pay with grain whatever is necessary to succor our people, smitten on the field of battle or exhausted by epidemics."

About the same time, the Union of Ukrainian Women in the city of Kamenetz-Podolsky issued the following appeal to the women of the world:

> "We have no medicine to cure our wounded and the sick ones who are dying without sanitary aid because the transports of sanitary material into Ukraine have been forbidden.* But do not think we are asking for charity. Our state is rich in food. We have resources with which to pay. We only ask that you may raise your voices before your governments, demanding cessation of the Blockade around Ukraine, which prevents transportation of medical material, so necessary to us."

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*This refers to the Allied Blockade, which isolated Ukraine as completely as Soviet Russia.

COMPARISON OF THE CHIEF WHEAT-GROWING NATIONS.

AVERAGE ANNUAL PRE-WAR PRODUCTION

1. United States ..... 370,000,000 cwt.
2. Former Russian Empire (outside of Ukraine)... 262,000,000 cwt.
3. India ..... 191,000,000 cwt.
4. Ukraine ..... 154,000,000 cwt.
5. France ..... 141,000,000 cwt.
6. Hungary ..... 106,000,000 cwt.
7. Italy ..... 82,000,000 cwt.
8. Spain ..... 73,000,000 cwt.
9. Roumania ..... 59,000,000 cwt.

Since these two appeals were sent out, the Blockade has been raised but the medicines and drugs referred to are still wanting.

One illustration will suffice to show the sort of thing the Ukrainians must contend with in combatting the typhus plague which has raged so fiercely in Western Ukraine, and is now said to be spreading across the frontiers to the populations of Silesia. It is reported that Neo-Salvarsan, a drug which is considered essential in fighting typhus, has been costing 800 rubles per injection. The ruble has fallen very low in exchange value, but before the war it used to be worth half a dollar, and it still means half a dollar, or more, to the people who must use it in their business transactions. When one remembers that typhus is especially prevalent among the very poor, the absurdity of Neo-Salvarsan at $400 a treatment becomes painfully apparent.

Hospital work has been everywhere hampered because of the lack of disinfectants, antiseptics, bandages and fresh linen. There are not enough beds to go around, nor are there soaps, toilet articles, dental goods and towels. The Ukrainian Red Cross has carried on its work with the greatest difficulty. Since before the time of its organization early in 1918, the importation of the necessary drugs and other supplies has been almost wholly precluded. The quantities which were stored up in Ukrainian warehouses two years ago have been bought up or, in some cases, appropriated outright by the various armies, friendly and unfriendly, which swept, one after another, across the country.

Manufactured Goods are Needed.

The sick suffer the most, but the masses of the civilian population are also in sore traits. Because they could not get any shoes, women and children have had to go about in freezing weather with their feet wrapped in rags. If they only had the machinery to equip shoe factories in Ukrainian cities, they would be able to make the foot-wear at home, for they have plenty of hides on hand and reasonably good facilities for tanning them. But they have no shoe-making machines. As for cotton and woolen clothing, they are still worse off, for they have neither the raw material nor the spinning and weaving establishments. The farming communities suffer for lack of plows, reapers, binders; in fact, every sort of agricultural implement. Among the articles which Ukraine can use at once are

belting, machine oils and grease, typewriters, cash registers, sewing machines, all kinds of scales, machine tools, kitchen utensils, printing presses, tractors, and the necessary machinery for road-building, mining, brickmaking, fruit, vegetable and meat-packing, sawmills, cotton mills, grain mills, woolen mills, knit-goods, plumbing works, foundries, turning mills, woodworking, electric works, pottery works, and leather works. This is by no means a complete list. As a matter of fact, it is hardly possible to mention a single class of manufactured goods in general use which the Ukrainians will not need to import.

Ukraine's credit is her large agricultural yield. In the years to come, her financial stability will grow. American business men need to realize this, and should not acquire the feeling that trade with Ukraine offers an opportunity for suddenly making fortunes. On the contrary, it will take time and study to build up a solid basis of Ukrainian-American commerce. Business houses which are willing to look to the future will find that they can, by degrees, build up substantial and profitable trade relations.

Co-operative Societies Are Trade Agencies.

With whom shall American business firms carry on negotiations in Ukraine?

This is the first question the business men will ask. Knowing that the old commercial class of Russia has disappeared or become impoverished in the chaos of foreign invasions and civil strife, he is likely to feel somewhat confounded. Of course, he may look toward the new governments established on Russian soil, as prospective customers. But whoever knows the problems of these administrations can hardly expect that the entire commerce, even the entire foreign commerce, can be efficiently handled through them. In other words a large portion of the prospective trade with Ukraine must for the present pass through other channels than those directly provided by the Ukrainian government.

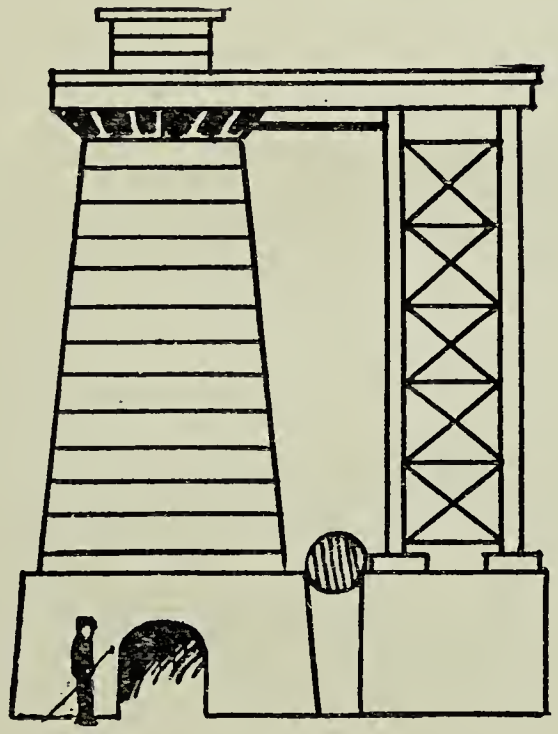
The natural agencies equipped to act in this capacity are the Ukrainian co-operative societies. They will be the main carriers of business, and the chief factors in the economic reconstruction of Ukraine. Anyone who expects to interest himself in the future development of this great country must familiarize himself with their system.

The co-operative organizations of Ukraine have a very long history. Even when the Ukrainian peasants were conducting their farming in a highly unscientific fashion, co-operation already existed, though in a primitive form. Whenever a man had to perform a task surpassing his own ability and requiring the assistance of a considerable number of workers, he called upon his neighbors and co-villagers. On an appointed day, which was usually Sunday or a holiday (when it was looked upon as sinful for a man to work for himself) the peasants gathered in a band to raise the barn, build the house or plow the land. The only reward they received for such help, demanding as a rule very strenuous exertion, was the sumptuous repast prepared by the women while the men were working. Such group effort will remind every student of American history of the way in which the New England colonists used to launch their ships. There are survivals of this simple type of co-operation in Ukraine today.

The complex nature of modern industry has made necessary a considerable development in Ukrainian co-operative methods. Together with the rest of the former Russian empire, Ukraine entered the stage of capitalistic organization very late. Her co-operative enterprises, in their present form, are of recent origin. Since the outbreak of the world war, they have grown to very great proportions. Some idea of the degree to which the system permeated Ukrainian business life, even before that, can be gained from the following figures, which represent the situation as it was on January 1, 1914.

The Country	The Total Number of Co-operatives	The Number of Associations			The Number of Inhabitants	
		Consumers	Credit	Agricultural	In Country by Millions	Per One Co-operative Society
1. Ukraine	6,510	3,075	2,370	992	31.5	4,839
2. European Russia	15,092	4,407	7,300	3,458	94.5	6,262
3. Poland	3,450	1,366	863	1,230	13.0	3,757
4. Caucasus	1,209	237	894	128	12.3	10,173
5. Siberia	1,926	865	932	129	9.5	4,932
6. Asiatic Russia	863	130	686	47	11.2	13,000
TOTAL	29,060	10,080	12,995	5,985	175.0	
Percentage of Ukraine in proportion to entire Russia	22%	31%	19%	17%	18%	

COMPARISON OF THE PRINCIPAL IRON ORE PRODUCING NATIONS.



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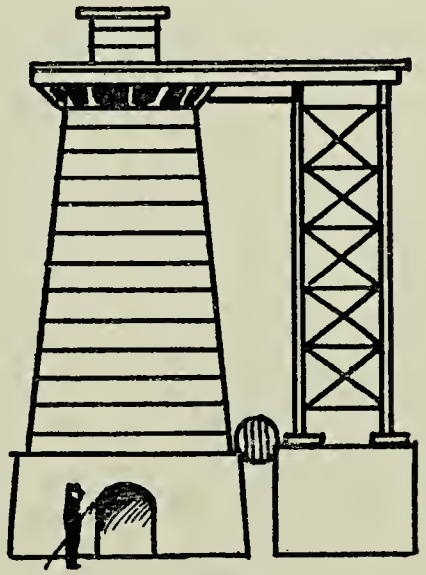
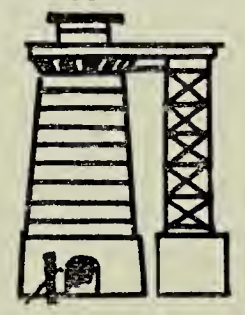


GERMANY

Figures For 1913*.	
United States	3,428,000,000
Germany	2,200,000,000
France	1,325,000,000
England	992,000,000
Spain	558,000,000
Sweden	538,000,000
Ukraine	420,000,000



FRANCE

ENGLAND

SPAIN

SWEDEN

UKRAINE

*The Figures represent Russian poods, and are taken from data prepared by Professor Feschenko-Chopivsky.

This development was reached by the Ukrainian co-operative bodies in the face of the stubborn opposition of the Czarist Government. The old Royalists who encircled the Czar always looked with distrust upon movements which initiated with the people. They discouraged and blocked them in every possible way. Now that the Revolution, has removed all the restrictions built up by the old regime, there exists in Ukraine hardly a village which does not possess a co-operative venture of some sort. Ukrainian co-operation has therefore grown into a many-sided movement, influencing every phase of economic life.

Co-operative Banking Highly Developed.

The co-operative movement in Ukraine has reached its greatest development in banking.

The first steps in this direction were taken because of the desire of the peasants to free themselves from the clutches of "loan sharks," who preyed upon them. The situation was this. In the spring months the small farmers usually found themselves in difficulties. They had sowed out all their grain, and were waiting for the new crops. In order to keep their heads above water and buy the supplies which they needed, they often resorted to the village usurers. These individuals made a practice of loaning out money upon terms which were almost ruinous. They were almost equally a pest to the more prosperous farmers, who felt the need of developing their holdings more extensively and therefore borrowed capital in order to go into business on a larger scale. In this way, the peasants, both the poor and the moderately well-to-do, were more or less at the mercy of usurers. There were practically no banks which would lend to them. The banks in those days were primarily institutions of credit for the merchant, manufacturer and great landowner, and did not lend the small sums of money needed by the small landowners, nor upon such long terms as were convenient for that class of borrowers.

These unfortunate conditions awoke the more progressive peasants of Ukraine to a realization that the necessary credit facilities could be furnished only by organizing the small landowners and making the members of each association jointly and severally liable for the debts of each and every member. These new bodies defied the village

THE NEW MAP OF EUROPE

APPROXIMATE BOUNDARIES OF PEOPLES
BY
HERBERT ADOLPHUS MILLER
1918

SLAVS IN STRAIGHT LINES—
LATINS—
FORMER EMPIRE OF AUSTRIA-HUNGARY

UKRAINE

AREA: 330,000 square miles.

POPULATION 45,000,000.

FORM OF GOVERNMENT: Republic.

ESTABLISHED: 1917.

CAPITAL CITY: Kiev.

© 1918 BY HERBERT ADOLPHUS MILLER

FINNS

RUSSIANS

PETROGRAD

ESTHONIANS

MOSCOW

LETTS

LITHUANIANS

WHITE RUSSIANS

ES

KIEV

LEMBERG

UKRAINIANS

ODESSA

ROUMANIANS

BLACK SEA

CASPIAN SEA

BATUM

BAKU

BULGARIANS

CONSTANTINOPLE

MACEDONIAN SLAVS

SALONIKA

GREEKS

URKS

ARMENIANS

BAGDAD

AN SEA

ZIONISTS

JERUSALEM

PERSIAN GULF

H.N.

usurer and sought to bring together the small lender and the small borrower. They were, in fact, saving-and-loan societies. The first of them sprang up in Ukraine during the seventies of the last century, but their development was rather slow because of the limited resources of their members.

In 1895, a new basis for co-operative banking was provided by the empire. A system was sanctioned whereby the the State Bank of Russia and the credit departments of the "zemstvos" (the autonomous district bodies) could furnish the peasant co-operatives with the credit which they needed. Thus arose a new form of co-operative, depending for credit not upon its membership but upon public institutions. A sort of competition was inaugurated between the state and the zemstvos, each anxious to emulate the other in the number of co-operatives dependent upon it for support.

In the years that followed, Ukrainian co-operative banking developed very fast. In 1901, the province of Kiev possessed only 8 banking co-operatives. In 1912, there were 198, and approximately one-fifth of the population was served by these organizations. The same rapid strides were made in other provinces.

Effect of War on the Co-operative Banks.

The outbreak of the world war changed the condition of the peasantry. They began to find themselves in possession of plenty of money, realized from the sale of various commodities to the armies. The prohibition of the liquor traffic kept them from spending too much. The lack of labor hindered them from putting the surplus into the development of their farms. As a result, they turned a great deal of their earnings over to the co-operative banks. According to the report dated October 1, 1915, there were in Ukraine 2,914 such associations, with a total membership of 2,084,053 persons, 167,777,778 hrivnyas* of deposits and a volume of business amounting to 359,230,778 hrivnyas. As compared with the entire Russian empire, in which the Ukrainians constituted 18% of the population, these figures represent 19% of the number of co-operatives, 20% of the total membership, 18% of deposits, and 21% of the volume of business.

Even before the war, there had been a movement to federate the

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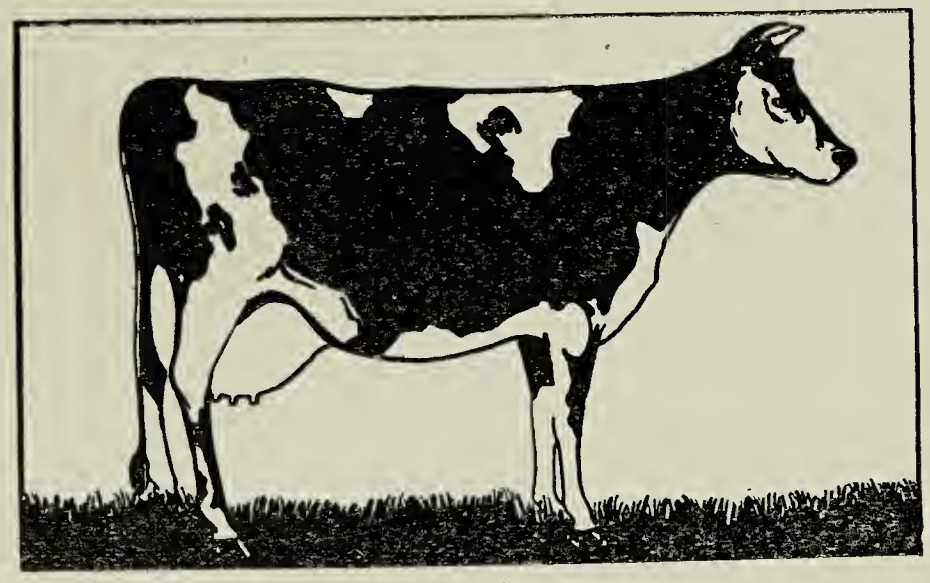
*Hrivnya: the monetary unit of the Ukrainian People's Republic, equal in value to about 25 cents.

COMPARISON OF THE CHIEF CATTLE-RAISING NATIONS.

ANNUAL AVERAGE PRE-WAR PRODUCTION.

1. United States ..... 62,000,000 head
2. Germany ..... 19,000,000 head
3. United Kingdom ..... 12,000,000 head
4. Ukraine ..... 10,000,000 head



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co-operative banks. In 1905, the beginnings of civic freedom granted in the first Russian revolution offered these banks a chance to free themselves somewhat from their dependency upon the State Bank and the zemstvos. Seven such co-operative credit federations were soon formed in Ukraine. The largest of these was at Kiev. The Kiev federation grew enormously during the war. On January 1, 1913, its volume of business was 2,390,000 hrivnyas. On January 1, 1918, it had reached 160,000,000 hrivnyas.

At the same time, the Co-operative Credit Federation of Kharkov had a volume of business amounting to 70,000,000 hrivnyas, and that of Poltava about 30,000,000 hrivnyas.

The revolution of 1917 gave these federations their long-awaited opportunity to establish one great central bank: the Bank of Ukraine. As early as 1911, they had appealed to the Russian government for permission to found such an institution in Kiev. The government, however kept silence for six years, withholding its permission. When the old bureaucracy was overthrown, the way was clear for the Bank of Ukraine. By November 1, 1918, it had a membership of 124 co-operative credit federations, subscriptions to the amount of 34,122,800 hrivnyas, and a volume of business reaching 93,360,800 hrivnyas.

Co-operative Banks Play Double Rôle.

This net-work of co-operative banking associations culminating in the bank of Ukraine at Kiev, will become a factor of prime importance in Ukrainian foreign trade: (1) by bringing the peasants and larger landowners in touch with foreign capital seeking investment in Ukraine, and (2) by actually undertaking to distribute to them and furnish them against credit agricultural machinery, livestock, fertilizers, seeds, tools, building materials and all kinds of manufactured goods.

The first service will be of great value during the period of reconstruction. The Ukrainian peasantry will need a great amount of capital to rebuild their country, crippled by a long war and devastated by several foreign invasions. The credit co-operatives, standing, as they do, closest to the peasant, will be called upon to furnish the necessary financial backing. Even should the Ukrainian government offer its help in a large way, the credit co-operatives, with

their knowledge of the personal character of the borrowers, will be called upon to act as chief agents in the distribution of credit.

The second function is of even greater significance just now. In 1918, the Bank of Ukraine bought at wholesale prices and resold immediately goods to the aggregate value of 88,000,000 hrivnyas, and received orders to the amount of 152,000,000 hrivnyas. It has also conducted the reverse commercial operations, taking goods from its members, granting them credit against these goods, and selling them on account of the co-operators.

The chief object of commercial operations of this last sort is the staple product of the black earth belt; i. e., grain. The whole system of elevator co-operatives started from very small beginnings. By this method, the peasants were saved the losses occasioned by the practice of selling grain to large dealers, who often enjoyed a position of natural monopoly, and also the need of disposing of their crops immediately after the harvest when the market was glutted and prices low. Gradually the arrangement came to be the characteristic procedure, and elevators were built all over Ukraine. At the present time, the Ukrainian co-operatives possess elevator facilities having a capacity of many millions of bushels.

Similar assistance was furnished by the credit co-operatives in marketing sugar-beets, cattle, fruits and the products of household industry. To carry on this great trade, the Bank of Ukraine has opened thirteen branch offices in various cities of Europe and plans to install new offices in Galicia, Crimea and the United States.

The banks are not the only co-operative organizations doing a large business. In many cases, commercial activities have been detached from purely banking transactions, and special societies have been created to perform the functions of the middleman. One group of this sort distributes to peasants of small means the machinery, tools, seeds, etc., which they require. Others act as selling agents, disposing of grain, sugar-beets, etc. A few organizations of this type combine both functions.

Consumers' Associations Are Active.

Wholly independent of the banks and marketing associations are the consumers' co-operative organizations. There are about 10,000 of these in Ukraine, and they have a membership of 12,000,000.

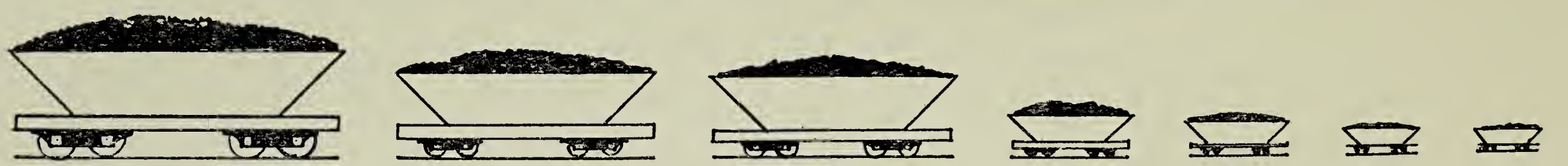
Taking into consideration the fact that such a society will serve a whole family if one of them belongs to the organization, we are safe in concluding that the bulk of Ukraine's population is reached by their system. They differ from the banking co-operatives in purpose and method. The object of the banks is to afford credit facilities. That of the consumers' organizations is to reduce the cost of living. The bank, with its commercial activities, has served the more prosperous farmers, who are anxious to improve their land and agricultural methods. The consumers' societies have appealed primarily to the poorest elements of the Ukrainian population.

The idea of the consumers' associations did not originate in Ukraine. It was imported from Western Europe. For a long time they were looked upon with a certain degree of mistrust by many of the peasants. It was only in 1906, after the first Russian revolution, that the poorer classes suddenly realized that they must somehow band together in order to reduce the cost of the necessities of life. As they looked into the matter more closely, they found the idea of the consumers' societies a very persuasive one. The principle behind them is simple: to eliminate the profits of the middleman. These profits used to be mercilessly high in Ukraine. Moreover, the consumer often suffered from dishonest weight and measure. In fact, the village store and the village usurer often worked hand in hand, and the movement against unscrupulous middleman spread and kept pace with that against the "loan sharks."

Barter Substituted for Money Exchange.

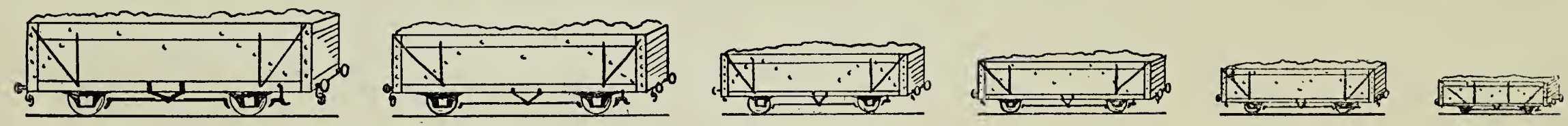
By providing a system of barter of a rather primitive sort, the consumers' associations have helped to keep trade alive, in spite of the chaotic situation created by the welter of depreciated and unredeemable paper currencies. In many localities, the peasants did not care to organize special marketing societies, but preferred to charge existing organizations with that function. The process began in a small way, when a few farmers found it more convenient to pay their co-operative store with agricultural products than with actual cash. Gradually it grew in favor, and it became a regular custom with many to take from the co-operative society small iron implements, clothing, southern fruits, shoes, etc., and offer in return the eggs, poultry, grains, vegetables and fruits from their own lands.

COMPARISON OF SOME OF THE PRINCIPAL COAL-PRODUCING NATIONS.*



U. S.	ENGLAND	GERMANY	AUSTRIA	FRANCE	UKRAINE	BELGIUM
31,266,000,000	17,820,000,000	17,032,000,000	3,120,000,000	2,450,000,000	1,543,000,000	1,396,000,000

COMPARISON OF SOME OF THE PRINCIPAL MANGANESE-PRODUCING NATIONS.



RUSSIA	BRITISH INDIA	UKRAINE	U. S.	BRAZIL	GERMANY
33,805,000	26,255,000	14,559,000	12,276,000	9,602,000	5,733,000

*The Figures represent Russian poods, and are taken from data prepared for 1913 by Professor Feschenko-Chopivsky.

This imposed upon the consumers' associations the responsibility of taking these agricultural products to the nearest market, but it was one which they were able to cope with. In this manner, the use of money was eliminated, no currency of any sort being taken or given, though it figured in the accounts as a measure of exchange. All business transactions were completed by mere settlements on paper, and the debit account of each person was carefully squared with his credit account, before the deal was ended. This extremely simple bartering arrangement has certainly saved the Ukrainian peasants a great deal of misery which is apt to follow in the wake of a depreciated currency, with its concomitant speculation, undeserved enrichment of sharpers and business failures.

Like the banks, the consumers' co-operatives have grouped themselves into district federations, and these have further consolidated into a central body, known as the "Dnipro-Soyuz" or Dnieper Union. This body experienced a phenomenal growth and soon attained a position of great influence. On November 1, 1918, it embraced 69 district federations, represented a volume of business of 56,421,200 hrivnyas and had a capital of 2,710,000 hrivnyas. It achieved this prominence in the very face of hostile invasions from the west, south and north.

In order to meet the constant demand of its members for certain staple commodities, the Dnieper Union has embarked upon several manufacturing ventures. It has opened factories for soap, linen, textiles and shoes. Its central offices at Kiev employ over 300 individuals. Branches have been established at Kharkov and Odessa, and headquarters are now being opened in England, France, Switzerland and other foreign countries. A branch is shortly to be founded in the United States.

Agricultural Co-operative Societies Form Third Group.

A third class of co-operative societies includes those which have for their object the development and exploitation of various products of small farming. These tend either to prevent the exorbitant charges made to a farmer for necessary work, as in the case of the oldest co-operation of this sort: viz, the flour mills, or to eliminate the middleman, whose power may become too burdensome, as in the case of the co-operative dairies. In 1915, there were over a thousand

such organizations. Their central association is called the Central Ukrainian Federation of Agricultural Societies. On October 1, 1918, the balance on their books amounted to 22,400,000 hrivnyas. The affiliated local federations number 31, and there are 213 co-operative societies. Not long ago, they purchased a large factory at Odessa, for the manufacture of agricultural machinery and iron utensils.

Workers' Production Societies.

There is still another group of co-operative associations in Ukraine today: the workers' production organizations. They are quite different from any of the co-operative societies that have yet been mentioned. The banks, the consumers' associations, and the agricultural co-operatives aim at a more efficient production and the elimination of the middleman's profits in marketing. They are as a rule, very similar to ordinary capitalistic enterprises, and do not contemplate any radical change in industrial systems. The production co-operatives of the workingmen have, however, an original social-economic ideal. Dissatisfied with their relation to the enterprise and its organizer, the master or employer, the workers do not endeavor to reform these relations, but to abolish them altogether. They attempt to do away with the wage system by becoming at one and the same time capitalists and laborers. The poor development of many enterprises in the former Russian empire offered a tremendous field for these co-operative activities, especially in those branches which do not anticipate large-scale production, but do require the labor of a great number of skilled workers. The greatest success has naturally been attained by the co-operatives which need little capital. Where more capital is demanded, it has sometimes been borrowed from outsiders. This has been the case with the fishing "arteli" of the Black Sea, which are organized in the fashion described. This type of venture should not be confused with the labor union, nor with communism. It is merely co-operative production, in the strictest sense of the expression.

A Pan-Ukrainian Federation.

Though it does not bear specifically on the matter of foreign trade, it is impossible to treat the Ukrainian co-operative societies without noticing that they have always been inspired by high social ideals,

quite apart from the purely materialistic considerations of economic self-interest. They have interested themselves always in the promotion of Ukrainian culture and the spread of education. Their program of enlightenment was formulated at the meeting of the first Pan-Ukrainian Co-operative Congress, held in Kiev in June, 1917. The result of this convention was the foundation of the so-called Central Federation of Ukrainian Co-operatives, the supreme legislative body of the Ukrainian co-operative movement. Thus was completed the work of centralizing the entire system. The Central Co-operative Council is the main deliberative body, and the so-called Central Committee is the main connecting link between the legislative and executive branches of the organization. This Committee is composed of the following departments; (1) a legal department, (2) a statistical department, (3) a bureau of labor, (4) a bureau of press, (5) a department of museums and libraries, and (6) a department of publications. It issues a monthly magazine called "Ukrainian Co-operation" which was at first edited by the celebrated Ukrainian economist, the late Professor Michael Tuhan-Baranovsky, and a semi-monthly bulletin.

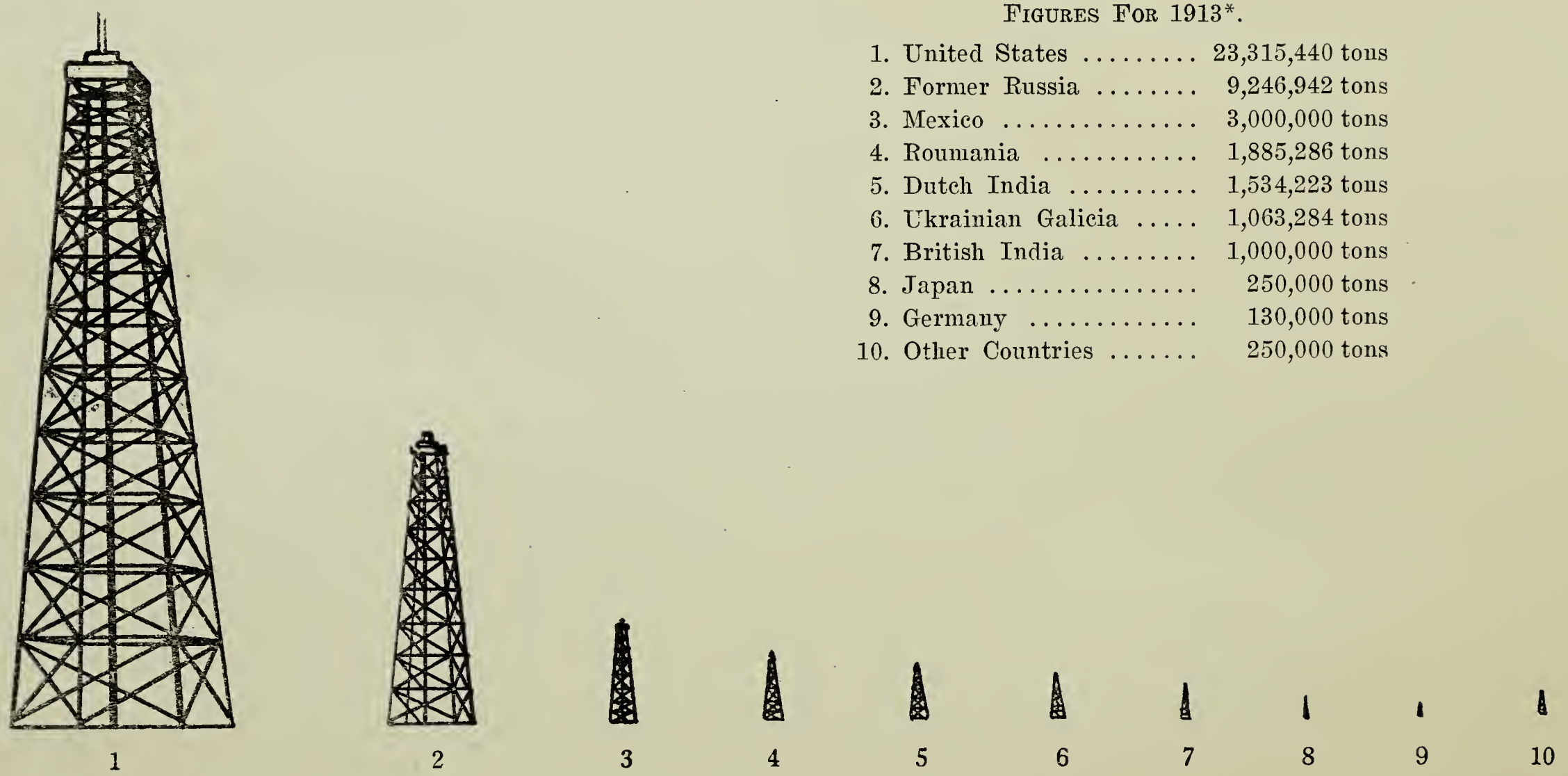
Prospects for Trade with Ukraine are Encouraging.

Taking into consideration the economic state of Ukraine, the co-operative societies constitute a fairly perfect machine for facilitating foreign trade. Their organization is entirely independent of that of the co-operative societies of Soviet Russia. Dealing with them will not involve the foreign merchant or manufacturer in any negotiations with communists and he will find in the consumers' associations of the Dnieper Union a system of ready agencies to market his commodities of every-day use. Should he offer for sale bulky or expensive goods, like machinery, he can work through the independent buying co-operatives or through the purchasing departments of the co-operative banks. Should the merchant desire goods in exchange for the commodities which he sends into Ukraine, he can obtain them through the barter machinery provided by the consumers' co-operatives.

The future of trade with Ukraine is brilliant. Other nations are already laying their plans to participate in the profitable commerce which is sure to open up in a short time. If America desires to play

her part, American business men must immediately consider getting in touch with the Ukrainian co-operative associations. The war has brought about a tremendous economic reorganization of the country. For the present, the turmoil has not simmered down. This, however, is bound to come before long. In the meantime, manufacturers and traders who are genuinely desirous of building up a profitable commerce with this wealthy new republic will reap great advantages if they are willing to devote time and energy to the study of Ukraine's needs and her great exportable wealth.

COMPARISON OF THE PRINCIPAL OIL-PRODUCING NATIONS.



FIGURES FOR 1913*.

1.	United States	23,315,440 tons
2.	Former Russia	9,246,942 tons
3.	Mexico	3,000,000 tons
4.	Roumania	1,885,286 tons
5.	Dutch India	1,534,223 tons
6.	Ukrainian Galicia	1,063,284 tons
7.	British India	1,000,000 tons
8.	Japan	250,000 tons
9.	Germany	130,000 tons
10.	Other Countries	250,000 tons

*These statistics are taken from data prepared by Professor Feschenko-Chopivsky.